Company Tracking Number: 2007-03

TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC

Product Name: Workers' Compensation Rate Filing

Project Name/Number: /

Filing at a Glance

Company: MEMIC Indemnity Company

Product Name: Workers' Compensation Rate SERFF Tr Num: MEMC-125366452 State: Arkansas

Filing

TOI: 16.0 Workers Compensation SERFF Status: Closed State Tr Num: EFT \$50

Sub-TOI: 16.0004 Standard WC Co Tr Num: 2007-03 State Status: Fees verified and

received

Filing Type: Rate Co Status: Reviewer(s): Betty Montesi, Carol

Stiffler, Brittany Yielding

Author: Sherry Ingalls Disposition Date: 11/26/2007

Date Submitted: 11/21/2007 Disposition Status: Approved

General Information

Project Name: Status of Filing in Domicile: Authorized

Project Number: Domicile Status Comments:

Reference Organization: NCCI Reference Number:

Advisory Org. Circular:

Filing Status Changed: 11/26/2007

State Status Changed: 11/26/2007 Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

Please see the attached rate filing for your review and approval. We are submitting a rate filing to adopt NCCI's 1/1/08 loss costs with no change to our LCM. Please see the attached cover letter for a complete description.

Company and Contact

Filing Contact Information

Karen Schwartz, Product Manager kschwartz@memic.com 261 Commercial Street (207) 791-3350 [Phone]

Company Tracking Number: 2007-03

TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC

Product Name: Workers' Compensation Rate Filing

Project Name/Number: /

Portland, ME 04104 (207) 482-4169[FAX]

Filing Company Information

MEMIC Indemnity Company CoCode: 11030 State of Domicile: New Hampshire 261 Commercial Street Group Code: 1332 Company Type: Stock Company

Portland, ME 04104 Group Name: ME Employers' Mut State ID Number:

Ins Grp

(207) 791-3350 ext. [Phone] FEIN Number: 02-0515329

Company Tracking Number: 2007-03

TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC

Product Name: Workers' Compensation Rate Filing

Project Name/Number: /

Filing Fees

Fee Required? Yes
Fee Amount: \$50.00
Retaliatory? No

Fee Explanation: Filing to adopt an advisory organization's loss costs with no change to loss cost multiplier

already on file, including companion rule filing = \$50

Per Company: No

COMPANY AMOUNT DATE PROCESSED TRANSACTION #

MEMIC Indemnity Company \$50.00 11/21/2007 16769129

Company Tracking Number: 2007-03

TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC

Product Name: Workers' Compensation Rate Filing

Project Name/Number:

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Carol Stiffler	11/26/2007	11/26/2007

Company Tracking Number: 2007-03

TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC

Product Name: Workers' Compensation Rate Filing

Project Name/Number: /

Disposition

Disposition Date: 11/26/2007

Effective Date (New): 01/01/2008

Effective Date (Renewal):

Status: Approved

Comment:

Company Name:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this	Premium:	Maximum % Change (where required):	Minimum % Change (where required):	Overall % Indicated Change:
			Program:				
MEMIC Indemnity Company	2.700%	\$0	0	\$0	0.000%	0.000%	2.700%

Company Tracking Number: 2007-03

TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC

Product Name: Workers' Compensation Rate Filing

Project Name/Number: /

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property	&Approved	Yes
	Casualty		
Supporting Document	NAIC Loss Cost Filing Document for	Approved	Yes
	Workers' Compensation		
Supporting Document	NAIC loss cost data entry document	Approved	Yes
Supporting Document	Cover Letter	Approved	Yes
Rate	Rate Pages & Small Deductible Tables	Approved	Yes

Company Tracking Number: 2007-03

TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC

Product Name: Workers' Compensation Rate Filing

Project Name/Number: /

Rate Information

Rate data applies to filing.

Filing Method: Prior Approval

Rate Change Type: Increase

Overall Percentage of Last Rate Revision: -6.100%

Effective Date of Last Rate Revision: 07/01/2007

Filing Method of Last Filing: Prior Approval

Company Rate Information

Company Name:	Overall %	Overall % Rate	Written	# of Policy	Premium:	Maximum %	Minimum %
	Indicated	Impact:	Premium	Holders		Change (where	Change (where
	Change:		Change for	Affected for this		required):	required):
			this	Program:			
			Program:				
MEMIC Indemnity	2.700%	2.700%	\$0	0	\$0	0.000%	0.000%

Company

Company Tracking Number: 2007-03

TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC

Product Name: Workers' Compensation Rate Filing

Project Name/Number:

Rate/Rule Schedule

Review Status: Exhibit Name: Rule # or Page Rate Action Previous State Filing Attachments
#: Number:

m. Hambe

Approved Rate Pages & Small Replacement AR 2007-03 Rate

Deductible Tables Pages.pdf

MEMIC Indemnity Company Arkansas Workers Compensation Rates

– Standard Rates – January 1, 2008 –

	Rate			Rate		<u></u>	Rate			Rate	
Class	Including	Minimum	Class	Including	Minimum	Class	Including	Minimum	Class	Including	Minimum
Code	Disease	Premium	Code	Disease	Premium	Code	Disease	Premium	Code	Disease	Premium
0005	4.94	733	2003	2.89	487	2702X	27.93	750	3224	2.74	469
0008	3.03	504	2014	5.44	750	2710	8.60	750 750	3227	1.83	360
0016	6.37	750	2014	2.49	439	2714	5.18	750 750	3240	3.44	553
0010	4.34	661	2010	3.45	554	2714 2719X	11.28	750 750	3240	3.44	506
0035	2.52	442	2039	4.74	709	27197	3.78	594	3255	2.70	464
			1			ļ	1				
0036	4.19	643	2041	4.07	628	2735	3.07	508	3257	2.77	472
0037	4.54	685	2065	1.26	291	2759	7.67	750	3270	4.54	685
0042	7.35	750	2070	5.19	750	2790	1.45	314	3300	3.80	596
0050	5.60	750	2081	4.48	678	2802	6.68	750	3303	3.74	589
0059D	0.30	_	2089	2.80	476	2812	4.48	678	3307	3.67	580
0065D	0.06	_	2095	3.32	538	2835	1.71	345	3315	2.74	469
0066D	0.06	_	2105	2.57	448	2836	2.44	433	3334	2.61	453
0067D	0.06	-	2110	2.31	417	2841	4.25	650	3336	2.54	445
0079	3.26	531	2111	2.09	391	2881	2.35	422	3365	10.02	750
0083	8.57	750	2112	2.65	458	2883	4.45	674	3372	2.81	477
0106	14.53	750	2114	3.19	523	2913	3.20	524	3373	3.51	561
0113	4.86	723	2121	2.03	384	2915	3.97	616	3383	1.00	260
0170	2.70	464	2130	2.99	499	2916	2.54	445	3385	0.91	249
0251	5.47	750	2131	1.83	360	2923	2.10	392	3400	2.67	460
0400	8.71	750	2143	2.26	411	2942	2.49	439	3507	3.02	502
0401	12.72	750	2157	3.92	610	2960	3.12	514	3515	2.44	433
0771N	0.32	_	2172	2.22	406	3004	2.65	458	3548	1.29	295
0908P	129.00	249	2174	2.89	487	3018	3.19	523	3559	2.23	408
0913P	345.00	465	2211	5.42	750	3022	3.42	550	3574	1.23	288
0917	3.81	597	2220	2.06	387	3027	3.10	512	3581	1.25	290
4005*	10.14	750			000				Ī		
1005*	10.14	750	2286	1.52	322	3028	3.26	531	3612	2.29	415
1016*	37.50	750 750	2288	4.76	711	3030	4.31	657	3620	6.29	750
1164E 1165E	7.42 7.08	750 750	2300	2.22	406	3040	4.28	654	3629	1.97	376
1320	2.99	499	2302 2305	1.94	373	3041	3.70	584	3632	3.19	523
1320		499	2305	2.57	448	3042	3.35	542	3634	1.97	376
1322	12.04	750	2361	1.39	307	3064	4.79	715	3635	1.84	361
1430	5.42	750	2362	1.87	364	3069	6.95	750	3638	1.64	337
1438	2.78	474	2380	6.38	750	3076	2.86	483	3642	0.96	255
1452	1.91	369	2386	1.25	290	3081D	2.62	454	3643	3.10	512
1463	11.92	750	2388	1.97	376	3082D	4.16	639	3647	3.34	541
1472	3.63	576	2402	2.38	426	3085D	3.07	508	3648	2.18	402
1624E	7.84	750	2413	1.90	368	3110	3.13	516	3681	1.45	314
1642	3.93	612	2416	1.97	376	3111	3.12	514	3685	1.90	368
1654	8.48	750	2417	1.83	360	3113	2.23	408	3719	3.51	561
1655	4.73	708	2501	1.55	326	3114	2.64	457	3724	6.92	750
1699	2.19	403	2503	1.39	307	3118	1.48	318	3726	3.70	584
1701	3.64	577	2534	2.47	436	3119	1.12	274	3803	1.91	369
1710E	6.80	750	2570	5.00	740	3122	1.19	283	3807	1.65	338
1741E	1.81	357	2585	2.76	471	3126	2.03	384	3808	2.83	480
1745X	2.99	499	2586	1.04	265	3131	0.93	252	3821	4.35	662
1747	2.49	439	2587	2.23	408	3132	2.12	394	3822	2.84	481
1748	5.84	750	2589	1.65	338	3145	1.97	376	3824	4.99	739
1803D	5.60	750	2600	5.00	740	3146	2.65	458	3826	1.07	268
1852D	2.29	415	2623	2.60	452	3169	2.73	468	3827	1.23	288
1853	2.73	468	2651	2.31	417	3175D	3.00	500	3830	1.19	283
1860	1.57										
1924	3.32	328 538	2660	1.62	334	3179	2.45	434	3851	2.96	495
1924	3.32 2.74	469	2670 2683	2. 42 2.09	430 391	3180 3188	2.19	403 315	3865	1.33	300 612
2001	2.74	438	2688	2.09	391 499	1	1.46 2.07	315	3881 4000	3.93 7.66	750
2002	3.44	553	2701	2.99 8.13	750	3220 3223	3.35	542	4000 4021	7.66 4.64	750 697
~~~	0.77	555	2101	0.13	100	JZZJ	0.00	J44	4U4 I	4.04	081

# MEMIC Indemnity Company Arkansas Workers Compensation Rates

--- Standard Rates -- January 1, 2008 ---

	Rate			Rate			Rate			Rate	
Class	Including	Minimum	Class	Including	Minimum	Class	Including	Minimum	Class	Including	Minimum
Code	Disease	Premium	Code	Disease	Premium	Code	Disease	Premium	Code	Disease	Premium
4024E	1.75	350	4635	3.97	616	5506	4.63	696	7038M	6.80	750
4024E 4034	7.12	750	4653	1.39	307	5507	6.05	750	7036M	29.96	750 750
				1		l l	1	750 750	7040M	10.09	750 750
4036	2.73	468	4665	7.06	750	5508D	7.69		1	1	
4038	2.19	403	4670	4.54	685	5535	6.95	750	7050M	11.98	750
4053	3.34	541	4683	4.81	717	5537	5.80	750	7090M	7.55	750
4061	4.47	676	4686	1.19	283	5551	15.14	750	7098M	33.29	750
4062	3.23	528	4692	0.38	186	5606	2.04	385	7099M	52.77	750
4101	2.04	385	4693	0.90	248	5610	7.18	750	7133	3.64	577
4111	2.41	429	4703	2.39	427	5645	11.99	750	7151M	4.42	670
4112	0.99	259	4717	2.51	441	5651	9.72	750	7152M	7.79	750
4113	1.74	349	4720	4.10	632	5703	104.49	750	7153M	4.92	730
4114	2.49	439	4740	1.55	326	5705	5.26	750	7222	10.38	750
4130	5.80	750	4741	1.86	363	5951	0.39	187	7228X	8.13	750
4131	2.80	476	4751	1.97	376	6003	10.80	750	7229X	8.09	750
4133	2.67	460	4771N	1.84	361	6005	7.12	750	7230	3.96	615
4150	1.35	302	4777	1.83	360	6017	4.50	680	7231	8.74	750
4206	4.12	634	4825	0.78	234	6018	2.29	415	7232	14.88	750
4207	1.19	283	4828	1.48	318	6045	3.07	508	7309F	28.13	750
4239	1.38	306	4829	1.61	333	6204	10.03	750	7313F	6.48	750
4240	3.03	504	4902	1.77	352	6206	7.73	750	7317F	10.38	750
4243	1.48	318	4923	1.17	280	6213	11.96	750	7327F	22.63	750
4244	2.44	433	5020	5.96	750	6214	2.89	487	7333M	7.71	750
4250	1.54	325	5022	6.51	750	6216	5.45	750	7335M	8.57	750
4251	1.71	345	5037	18.17	750	6217	5.09	750	7337M	13.59	750
4263	2.47	436	5040	21.23	750	6229	4.26	651	7350F	24.58	750
4273	1.68	342	5057	16.72	750	6233	7.83	750	7360	6.13	750
4279	1.83	360	5059	24.00	750	6235	11.85	750	7370	5.31	750
4282	2.25	410	5069	23.07	750	6236	13.53	750	7380X	4.31	657
4283	2.42	430	5102	4.44	673	6237	3.71	585	7382	2.91	489
4299	1.55	326	5146	5.25	750	6251D	8.06	750	7390	3.68	582
			5400		700	20500			720484	15 47	750
4304	2.87	484	5160	4.67	700	6252D	7.31	750	7394M	15.47	
4307	2.78	474	5183	3.38	546	6260D	5.54	750	7395M	17.18	750 750
4351	1.13	276	5188	5.63	750	6306	5.73	750	7398M	27.23	750
4352	1.06	267	5190	3.29	535	6319	5.73	750	7403X	2.96	495
4360	0.83	240	5191X	1.84	361	6325	5.32	750	7405N	1.57	328
4361	1.39	307	5192	4.15	638	6400	7.15	750	7420X*	22.58	750
4362	1.12	274	5213	7.98	750	6504	2.49	439	7421	2.35	422
4410	3.03	504	5215	4.18	642	6702M*	7.61	750	7422	2.60	452
4420 4431	3.60 1.52	572 322	5221 5222	4.25 10.45	650 750	6703M* 6704M*	13.40 8.45	750 750	7423X 7425	2.96 3.65	495 578
						ŀ					
4432	1.64	337	5223	5.71	750	6801F	14.62	750	7431N	2.03	384
4439	1.93	372	5348	3.99	619	6811	5.84	750	7445N	0.84	_
4452	3.54	565	5402	5.23	750	6824F	25.26	750	7453N	1.09	_
4459	2.18	402	5403	10.66	750	6826F	12.22	750	7502	3.07	508
4470	2.35	422	5437	4.89	727	6834	4.36	663	7515	1.13	276
4484	2.42	430	5443	3.89	607	6836	9.57	750	7520	3.15	518
4493	2.91	489	5445	4.94	733	6843F	16.79	750	7538	10.06	750
4511	0.71	225	5462	6.44	750	6845F	19.76	750	7539	6.39	750
4557	1.89	367	5472	5.32	750	6854	5.51	750	7540	4.25	650
4558	1.94	373	5473	5.42	750	6872F	22.82	750	7580	2.15	398
4561	1.97	376	5474	7.54	750	6874F	40.54	750	7590	4.57	688
4568	2.77	472	5478	4.63	696	6882	6.31	750	7600	3.10	512
4581	1.74	349	5479	10.80	750	6884	13.85	750	7601	12.44	750
4583	4.74	709	5480	10.56	750	7016M	5.73	750	7605	3.48	558
4611	0.97	256	5491	2.26	411	7024M	6.37	750	7610	0.49	199

# MEMIC Indemnity Company Arkansas Workers Compensation Rates

— Standard Rates – January 1, 2008 —

	Rate			Rate			Rate	Carties		Rate	
Class	Including	Minimum	Class	Including	Minimum	Class	Including	Minimum	Class	Including	Minimum
Code	Disease	Premium	Code	Disease	Premium	Code	Disease	Premium	Code	Disease	Premium
7611	6.16	750	8381	1.46	315	9082	1.73	348			
7612	17.15	750	8385	2.81	477	9083	1.54	325			
7613	4.93	732	8392	3.63	576	9084	2.13	396			
7705	2.87	484	8393	1.71	345	9089	1.38	306			
7710	6.93	750	8500	5.29	750	9093	1.54	325			
7710	0.55	700	0000	0.20		3033					
7711	6.93	750	8601	0.73	228	9101	3.20	524			
7720X	2.87	484	8606	3.76	591	9102	3.15	518			
7855	6.26	750	8709F	8.56	750	9154	2.57	448			
8001	2.55	446	8719	1.87	364	9156	1.46	315			
8002	3.35	542	8720	1.25	290	9170	2.45	434			
8006	2.35	422	8721	0.42	190	9178	26.20	750			
8008	1.22	286	8726F	10.16	750	9179	45.73	750			
8010	2.25	410	8734M	0.73	228	9180	4.54	685			
8013	0.52	202	8737M	0.65	218	9182	2.80	476			
8015	0.73	228	8738M	1.15	278	9186	57.00	750			
8017	1.25	290	8742X	0.54	205	9220	3.96	615			
8018X*	2.80	476	8745	4.89	727	9402	5.51	750			
8021	1.80	356	8748	0.44	193	9403	6.77	750			
8031	3.26	531	8755	0.30	176	9410	2.06	387			
8032	1.68	342	8799	1.02	262	9501	5.06	747			
8033	2.04	385	8800	1.02	262	9505	3.71	585			
8039	1.52	322	8803	0.09	151	9516	2.96	495			
8044	3.35	542	8805M	0.35	182	9519	2.58	450			
8045	0.48	198	8810	0.26	171	9521	5.54	750			
8046	2.97	496	8814M	0.32	178	9522	1.61	333			
8047	1.28	294	8815M	0.57	208	9534	7.84	750			
8058	3.00	500	8820	0.23	168	9554	9.06	750			
8072	0.68	222	8824	2.97	496	9586	0.77	232			
8102	2.77	472	8825	2.47	436	9600	1.70	344			
8103	4.89	727	8826	2.36	423	9620	1.28	294			
8105	4.94	733	8829	2.81	477	<u> </u>					
8106	4.61	693	8831	3.12	514						
8107	4.25	650	8832	0.29	175						
8111	3.31	537	8833X*	1.17	280						
8116	4.79	715	8835	2.26	411						
8203	6.47	750	8842	1.23	288						
8204	6.53	750	8864	1.23	288						
8209	3.20	524 750	8868	0.42	190						
8215	5.74	750 686	8869	0.78	234 171						
8227	4.55	686	8871	0.26	171						
8232	6.74	750	8901	0.30	176						
8233	5.09	750	9012	1.75	350						
8235	4.26	651	9014	2.45	434						
8263	9.57	750	9015X	2.90	488						
8264	4.25	650	9016	5.19	750						
8265	10.08	750	9019	3.49	559						
8279	10.89	750 750	9033	1.90	368						
8288	7.06	750 750	9040*	3.67	580						
8291	2.57	448	9052	1.84	361						
8292	3.12	514	9058	1.80	356						
8293	8.61	750	9059	3.09	511						
8295X	6.25	750	9060	1.89	367						
8304	7.45	750	9061	1.44	313						
8350	5.45	750	9063	1.15	278						
8380	3.68	582	9077F	4.16	639						

#### MEMIC Indemnity Company Arkansas Workers Compensation Footnotes

#### Effective January 1, 2008

- D Advisory loss cost for classification already includes the specific disease loading shown in the table below. See Basic Manual Rule 3-A-7.
- E Advisory loss cost for classification already includes the specific disease loading shown in the table below.

Code	Disease		Code	Disease		Code	Disease	
Number	Loading	Symbol	Number	Loading	Symbol	Number	Loading	Symbol
0059D	0.21	S	1710E	0.04	S	3175D	0.02	S
0065D	0.04	S	1741E	0.17	S	4024D	0.01	S
0066D	0.04	S	1803D	0.17	S	5508D	0.02	S
0067D	0.04	S	1852D	0.03	Asb	6251D	0.04	S
1164E	0.06	S	3081D	0.03	S	6252D	0.03	S
1165E	0.03	S	3082D	0.04	S	6260D	0.02	S
1624E	0.03	S	3085D	0.04	S			

Asb=Asbestos, S=Silica

- F Rate provides for coverage under the United States Longshore and Harbor Workers Compensation Act and its extensions. Rate contains a provision for federal assessment.
- M Rate provides for coverage under Admiralty Law and Federal Employers' Liability Act (FELA). A provision for the USL & HW assessment is included for those classifications under Program II USL Act.
- N This code is part of a ratable / non-ratable group shown below. The statistical non-ratable code and corresponding rate are applied in addition to the basic classification when determining premium.

Class	Non-Ratable
Code	Element Code
4771	0771
7405	7445
7431	7453

- P Classification is computed on a per capita basis.
- X Refer to special classification phraseology in these pages which is applicable in this state.

#### * Class Codes with Specific Footnotes

- 1005 Underlying advisory loss cost includes a non-ratable disease element of \$2.85. (For coverage written separately for federal benefits only, \$2.15. For coverage written separately for state benefits only, \$0.70.)
- 1016 Underlying advisory loss cost includes a non-ratable disease element of \$11.04. (For coverage written separately for federal benefits only, \$8.59. For coverage written separately for state benefits only, \$2.81.) It also includes a catastrophe loading of \$0.10. Refer to the Manual of Underground Coal Mine Rules, Classifications, and Rates for rules applicable to the use of this classification code.
- 6702 Rate and rating values only appropriate for laying or relaying of tracks or maintenance of way no work on elevated railroads. Otherwise, assign appropriate construction or erection code rate and elr each x 1.215.
- Rate and rating values only appropriate for laying or relaying of tracks or maintenance of way no work on elevated railroads. Otherwise, assign appropriate construction or erection class rate x 2.14 and elr x 1.982.
- Rate and rating values only appropriate for laying or relaying of tracks or maintenance of way no work on elevated railroads. Otherwise, assign appropriate construction or erection class rate and elr each x 1.35.
- Payroll is subject to a maximum of \$600 per week per employee effective January 1, 2005. The ELR on the rate page should be applied to policies with effective dates on or after January 1, 2005 (\$600 payroll limitation). An ELR of 11.36 should be applied to policies with effective dates prior to January 1, 2005 (\$300 payroll limitation).
- Payroll Is subject to a maximum of \$600 per week per employee effective July 1, 2006. The ELR on the rate page should be applied to policies with effective dates on or after July 1, 2006 (\$600 payroll limitation). An ELR of 4.16 should be applied to policies with effective dates prior to July 1, 2006 (uncapped payroll).
- 8018 See Arkansas Special Classification for Warehousing-groceries exclusively.
- The ex-medical loss cost for this classification is \$0.43. A charge of \$0.10 is to be added to this loss cost whenever this class is applied to a hospital or sanitarium specializing in the treatment of tuberculosis. Apply to the Rating Organization having jurisdiction for the appropriate loading when this class is applied to a General Hospital operating a tubercular ward or department.
- 9040 The ex-medical loss cost for this classification is \$1.24. A charge of \$0.10 is to be added to this loss cost whenever this class is applied to a hospital or sanitarium specializing in the treatment of tuberculosis. Apply to the Rating Organization having jurisdiction for the appropriate loading when this class is applied to a General Hospital operating a tubercular ward or department.

MEMIC Indemnity Company Arkansas Workers Compensation Miscellaneous Values Effective January 1, 2008

Basis of premium applicable in accordance with Basic Manual footnote instructions for Code:

7370 -- "Taxicab Co."

Employee operated vehicle \$46,220.00 Leased or rented vehicle \$30,813.00

7420 -- "Aviation - Aerial Application, Seeding, Herding, or Scintillometer Surveying - Flying Crew"

Maximum payroll per week per employee

Domestic Terrorism, Earthquakes and Catastrophic Industrial Accidents

\$0.015

\$600.00

Foreign Terrorism (Terrorism Risk Insurance Act-Certified Losses)

\$0.029

**Maximum Payroll** applicable in accordance with **Basic Manual** Rule 2-E-1 -- "Executive Officers" and the **Basic Manual** footnote instructions for Code 9178 -- "Athletic Sports or Park: Non-Contact Sports," Code 9179 -- "Athletic Sports or Park: Contact Sports," and Code 9186 -- "Carnival--Traveling" \$2,400.00

Minimum Payroll applicable in accordance with Basic Manual Rule 2-E-1 -- "Executive Officers"

\$300.00

**Per Passenger Seat Surcharge** - In accordance with **Basic Manual** footnote instructions for Code 7421, the surcharge is

Maximum surcharge per aircraft Per passenger seat

\$1,000.00

\$100.00

Premium Determination for Partners and Sole Proprietors and Members of Limited Liability Companies in accordance with Basic Manual Rule 2-E-3 \$30,800.00

Expense Constant applicable in accordance with Basic Manual Rule 3-A-11

\$140.00

**United States Longshore and Harbor Workers' Compensation Coverage Percentage** applicable only in connection with **Basic Manual** Rule 3-A-4

90%

(Multiply a Non-"F" classification rate by a factor of 1.90 to adjust for the difference in benefits and loss-based expenses. This factor is the product of the adjustment for differences in benefits (1.67) and the adjustment for differences in loss based expenses (1.139).)

#### **Experience Rating Eligibility**

A risk is eligible for intrastate experience rating when the payrolls or other exposures developed in the last year or last two years of the experience period produced a premium of at least \$8,000. If more than two years, an average annual premium of at least \$4,000 is required. Page A-1 of the **Experience Rating Plan Manual** should be referenced for the latest approved eligibility amounts by state.

**Deductible Credits** – The following percentages are applicable by deductible amount and hazard group on a per claim basis.

			To	otal Losses								
Deductible		HAZARD GROUP										
Amount	Α	В	С	D	Е	F	G					
\$1,000	13.4%	10.9%	9.4%	7.9%	6.6%	4.6%	3.5%					
\$1,500	16.3%	13.4%	11.6%	9.8%	8.3%	5.9%	4.5%					
\$2,000	18.6%	15.3%	13.3%	11.4%	9.7%	7.0%	5.4%					
\$2,500	20.6%	17.1%	14.9%	12.8%	10.9%	7.9%	6.1%					
\$3,000	22.4%	18.6%	16.3%	14.0%	12.0%	8.8%	6.8%					
\$3,500	24.0%	20.0%	17.6%	15.2%	13.0%	9.7%	7.5%					
\$4,000	25.5%	21.3%	18.8%	16.3%	14.0%	10.5%	8.1%					
\$4,500	26.9%	22.5%	19.9%	17.3%	14.9%	11.3%	8.7%					
\$5,000	28.2%	23.7%	21.0%	18.3%	15.8%	12.0%	9.3%					

	Medical Losses											
Deductible		HAZARD GROUP										
Amount	Α	В	С	D	Е	F	G					
\$1,000	13.0%	10.6%	9.1%	7.6%	6.4%	4.4%	3.4%					
\$1,500	15.5%	12.7%	11.0%	9.3%	7.8%	5.5%	4.2%					
\$2,000	17.5%	14.4%	12.5%	10.6%	9.0%	6.4%	4.9%					
\$2,500	19.2%	15.8%	13.8%	11.7%	10.0%	7.2%	5.5%					
\$3,000	20.6%	17.1%	14.9%	12.7%	10.8%	7.9%	6.1%					
\$3,500	21.9%	18.2%	15.9%	13.6%	11.6%	8.5%	6.6%					
\$4,000	23.0%	19.2%	16.8%	14.5%	12.4%	9.1%	7.1%					
\$4,500	24.0%	20.1%	17.6%	15.2%	13.1%	9.7%	7.5%					
\$5,000	25.0%	21.0%	18.4%	15.9%	13.7%	10.2%	7.9%					

			Inde	nnity Losses					
Deductible	HAZARD GROUP								
Amount	Α	В	С	D	E	F	G		
\$1,000	2.9%	2.4%	2.2%	2.0%	1.8%	1.5%	1.1%		
\$1,500	4.0%	3.3%	3.0%	2.8%	2.5%	2.1%	1.6%		
\$2,000	5.0%	4.1%	3.8%	3.5%	3.1%	2.7%	2.0%		
\$2,500	5.8%	4.9%	4.5%	4.2%	3.7%	3.2%	2.4%		
\$3,000	6.6%	5.6%	5.2%	4.8%	4.3%	3.6%	2.8%		
\$3,500	7.4%	6.2%	5.8%	5.4%	4.8%	4.1%	3.1%		
\$4,000	8.0%	6.8%	6.3%	5.9%	5.2%	4.5%	3.5%		
\$4,500	8.7%	7.4%	6.8%	6.4%	5.7%	4.8%	3.8%		
\$5,000	9.3%	7.9%	7.3%	6.8%	6.1%	5.2%	4.1%		

SERFF Tracking Number: MEMC-125366452 State: Arkansas
Filing Company: MEMIC Indemnity Company State Tracking Number: EFT \$50

Company Tracking Number: 2007-03

TOI: 16.0 Workers Compensation Sub-TOI: 16.0004 Standard WC

Product Name: Workers' Compensation Rate Filing

Project Name/Number:

# **Supporting Document Schedules**

**Review Status:** 

Satisfied -Name: Uniform Transmittal Document- Approved 11/26/2007

Property & Casualty

**Comments:** 

Attachments:

AR 2007-03 Transmittal Document.pdf AR 2007-03 Rate Filing Schedule.pdf

**Review Status:** 

Satisfied -Name: NAIC Loss Cost Filing Document Approved 11/26/2007

for Workers' Compensation

Comments:

Attachments:

AR 2007-03 NAIC Loss Cost Docs.pdf AR 2007-03 Actuarial Support.pdf

**Review Status:** 

Satisfied -Name: NAIC loss cost data entry document Approved 11/26/2007

Comments: Attachment:

AR 2007-03 LC Data Entry Doc.pdf

**Review Status:** 

Satisfied -Name: Cover Letter Approved 11/26/2007

Comments:

**Attachment:** 

AR 2007-03 Rate Cover Letter.pdf

# **Property & Casualty Transmittal Document**

1.	Reserved for Insurance Dept. Us	se Only		2. Ins	urance i	Den	artment l	lse o	only	
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3.	Group Name									NAIC #
	Maine Employers' Mutual Insu	rance Grou	ıp						1332	
4.	Company Name(s)				Domicil	е	NAIC #	FEII	N #	State #
	MEMIC Indemnity Company				New		11030	02-0	515329	N/A
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Cor	ntact Info of Filer(s) or Corpor Name and address MEMIC—Karen Schwartz	Title Product		[include <b>Teleph</b> 800-660	toll-free		-		kschwart	<b>mail</b> z@memic.
Cor	ntact Info of Filer(s) or Corpor Name and address MEMIC—Karen Schwartz P.O. Box 11409	Title		[include	toll-free		FAX#			
Cor	ntact Info of Filer(s) or Corpor Name and address MEMIC—Karen Schwartz	Title Product		[include <b>Teleph</b> 800-660	toll-free		FAX#		kschwart	
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Cor 6.	ntact Info of Filer(s) or Corpor Name and address MEMIC—Karen Schwartz P.O. Box 11409 Portland, ME 04104	Title Product		[include <b>Teleph</b> 800-660	toll-free		FAX#		kschwart	
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# Property & Casualty Transmittal Document—

20.	This filing	transmitta	l is par	t of Compan	v Tracking	#	2007-03

21. Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]

We are submitting a rate filing to adopt NCCI's 1/1/08 loss costs with no change to our LCM. Please see the attached filing and supporting documentation for your review and approval.

**22. Filing Fees** (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]

Check #: N/A - EFT Amount: \$50.00

\$50 = Filing to adopt an advisory organization's loss costs with no change to loss cost multiplier already on file, including companion rule filing.

Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.

***Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)

## RATE/RULE FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

(Do not refer to the body of the filing for the component/exhibit listing, unless allowed by state.) This filing transmittal is part of Company Tracking # 1. 2007-03 This filing corresponds to form filing number 2. (Company tracking number of form filing, if applicable) Rate Increase Rate Decrease Rate Neutral (0%) Filing Method (Prior Approval, File & Use, Flex Band, etc.) **Prior Approval** 3. Rate Change by Company (As Proposed) 4a. Company Overall % Overall Written # of Written Maximum Minimum policyholders Name Indicated % Rate premium premium % Change % Change Change **Impact** change for affected for this (where (where (when this for this program required) required) applicable) program program 2.70% 2.70% N/A N/A N/A 0 0 MEMIC Indemnity Rate Change by Company (As Accepted) For State Use Only 4b. Written Written Company **Overall %** Overall # of Maximum Minimum Name Indicated % Rate premium policyholders premium % Change % Change affected Change Impact change for for this (where (where (when this for this program required) required) applicable) program program Overall Rate Information (Complete for Multiple Company Filings only) COMPANY USE STATE USE Overall percentage rate indication (when applicable) 5a. N/A Overall percentage rate impact for this filing 5b. N/A Effect of Rate Filing – Written premium change for N/A 5c. this program Effect of Rate Filing - Number of policyholders 5d. N/A affected Overall percentage of last rate revision -6.10% 6. Effective Date of last rate revision 7. 7/1/07 Filing Method of Last filing 8. Prior Approval (Prior Approval, File & Use, Flex Band, etc.) Rule # or Page # Submitted Replacement **Previous state** or Withdrawn? 9. for Review filing number. if required by state Rate pages and small deductible tables New □ Replacement 01 Withdrawn New 02 Replacement Withdrawn New 03 Replacement Withdrawn

Spa	ce Reserved for Insurance Department Use	Date:	November 21, 2	2007		
		ADOPTION O	ARKANSAS INSURER RATE F OF RATE SERVICI ROSPECTIVE LOSS ENCE FILING ADO	E ORGANIZATION S COSTS		
1. INSURER N	MEMIC Indemnity	Company				
ADDRESS	261 Commercial S	t., PO Box 11	409			
	Portland, Mai	ne 041	04-7409			
PERSON RE	ESPONSIBLE FOR FILING K	aren Schwart	 Z			
TITLE F	Product Manager	TELE	EPHONE # (800	0) 660-1306 X 350		
2. INSURER N	AIC# 11030					
3. LINE OF IN	SURANCE Workers Com	npensation				
4. ADVISORY	ORGANIZATION National	Council on Co	mpensation Insu	ırance		
5. RATING OR	RGANIZATION REFERENCE FILIN	G AR-200	)7-10			
this line of ins loss costs in the insurer's r	urer hereby declares that it is a member, surance. The insurer hereby files to be de ne captioned Reference Filing.  Tates will be the combination of the prospants specified in the attachments.	emed to have indep	pendently submitted as	its own filing the prospective		
7. PROPOSED	RATE LEVEL CHANGE	2.70%	EFFECTIVE DA	ATE1/1/2008		
8. PRIOR RAT	E LEVEL CHANGE	-6.10%	EFFECTIVE DA	ATE		
	UMMARY OF SUPPORTING INFO te Summary for each insurer-selected					
10. CHECK ONI	E OF THE FOLLOWING:					
	The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable to future revisions of the rate service organization's prospective loss costs for this line of insurance. The insurer's rates will be the combination of the rate service organization's prospective loss costs and the insurer's loss cost multipliers and, if utilized, expense constants specified in the attachments. The rates will apply to policies written on or after the effective date of the rate service organization's prospective loss costs. This authorization is effective until disapproved by the Commissioner, or amended or withdrawn by the insurer.					
X	The insurer hereby files to have its lobe applicable only to the above Rate					

#### FORM RF-WC NAIC LOSS COST FILING DOCUMENT — FOR WORKERS COMPENSATION

CALCULATION OF COMPANY LOSS COST MULTIPLIER

This	s filing transmittal is part of Compan	y Tracking # 2007-0	)3			
1	s filing corresponds to form filing nu npany tracking number of form filing, if applicable					
•	Loss Cost Reference Filing (Advisory Org, & Reference filing #)	AR-2007-10	(	) Indepe	ndent Rate Filing	I
sub: to h will	is is a loss cost filing adopting an ad scriber or service purchaser of the nam ave independently submitted as its ow be the combination of the prospective attachments.	ned advisory organization in filing) the prospective	for this lin	e of insurand in the caption	ce. The insurer hereb ned Reference Filing	y files (to be deemed . The insurer's rates
۱.	Check one of the following:					
()	The insurer hereby files to have its loss organization's prospective loss costs for prospective loss costs and the insurer's apply to policies written on or after the until disapproved by the Commissioner, this option for some lines of business.	this line of insurance. The loss cost multipliers and if effective date of the adviso or until amended or withdr	e insurer's utilized, exp ry organiza	rates will be bense constar ition's prospe	he combination of the its specified in the attac tive loss costs. This a	advisory organization's chments. The rates will uthorization is effective
(x)	The insurer hereby files to have its los Organization Reference Filing.	s cost multipliers and, if t	utilized, exp	oense consta	nts be applicable only	to the above Advisory
. ]	Does this filing apply to all class codes? Yes	S If no, complete a copy of	this form fo	or each affecte	l class with appropriate	justification.
. I	oss cost modification:					
<b>A</b>	. The insurer hereby files to adopt the $\ensuremath{\mathfrak{p}}$ Check One)	prospective loss costs in the	captioned	reference filin	g:	
( ( <b>X</b>	<ul> <li>Without Modification (factor = 1.000)</li> <li>With the following modification(s). (C supporting data and/or rationale for the</li> </ul>	•	nodification	, and attach		13.1%

Loss Cost Modification Expressed as a Factor: (See Examples Below)

1.131

Example 1: Loss cost Modification Factor: If your company's loss cost modification is -10%, a factor of .90 (1.000 - .100) should be used.

Example 2: Loss cost Modification Factor: If your company's loss cost modification is =15%, a factor of 1.15 (1.000 + .150) should be used.

# NOTE: IF EXPENSE CONSTANTS ARE UTILIZED ATTACH "EXPENSE CONSTANT SUPPLEMENT" OR OTHER SUPPORTING INFORMATION. DO NOT COMPLETE ITEMS 4-11 BELOW.

4. Development of Expected Loss and Loss Adjustment Expense (Target Cost) Ratio. (Attach exhibit detailing insurer expense data, impact of premium discount plans, and/or other supporting information.) PROJECTED EXPENSES: Compared to standard premium at company rates.

Selected Provisions

	A.	Total Production Expense	%
	В.	General Expense	%
	C.	Taxes, Licenses & Fee	%
	D.	Underwriting profit & contingencies*	%
	E.	Other (explain)	%
	F.	Total	%
		* Explain how investment income is taken into account	
5.	A.	Expected Loss Ratio: ELR = 100% - 4F =	
	В.	ELR in Decimal Form =	

PC IRF-WC CONTINUED ON PAGE 2

# FORM RF-WC NAIC LOSS COST FILING DOCUMENT — FOR WORKERS COMPENSATION

6.	Overall Impact of Expense Constant and Minimum Premiums:	
	(a 2.3% impact would be expressed as 1.023)	
7.	Overall Impact of Size-of-Risk Discounts plus Expense Graduation	
	Recognition in Retrospective Rating:	
	(An 8.6% average discount would be expressed as 0.914)	
8.	Company Formula Loss Cost Multiplier	
	[3B / ((7 - 4F) X 6)]	
9.	Company Selected Loss Cost Multiplier =	
	(Attach explanation for any differences between 6 and 7)	
		Yes No
10.	Are you amending your minimum premium formula? If yes, attach documentation,	
	including rate level impact as well as changes in multipliers, expense constants, maximum, etc.	( ) ( )
11.	Are you changing your premium discount schedules? If yes, attach schedules	
	and support, detailing premium or rate level changes.	( ) ( )

# NAIC EXPENSE CONSTANT SUPPLEMENT

# CALCULATION OF COMPANY LOSS COST MULTIPLIER WITH EXPENSE CONSTANTS

(Effective January 1, 2008)

(This form must be provided ONLY when making a filing that includes an expense constant)

This filing transmittal is part of Company Tracking #	2007-03	
This filing corresponds to form filing number		
(Company tracking number of form filing, if applicable)		

# Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.)

#### Selected Provisions

4.			Overall	Variable	Fixed	
	A.	Total Production Expense	16.5	12.4	4.1	%
	B.	General Expense	6.0	4.5	1.5	%
	C.	Taxes, License & Fees	6.0	6.0	0.0	%
	D.	Underwriting Profit & Contingencies*	-0.9	-0.9	0.0	%
	E.	Other (explain)	0.0	0.0	0.0	%
	F.	TOTAL	27.6	22.0	5.6	%
		*Explain how investment income is taken into account.				

5.	A.	Expected Loss Ratio: ELR = 100% - Overall 4F	72.4	%
	B.	ELR in decimal form =	0.724	
	C.	Variable Expected Loss Ratio: VELR=100% - Variable 4F	78.0	%
	D.	VELR in Decimal Form = B. ELR in Decimal Form =	0.780	

6.	A.	Formula Expense Constant:	0.099	
		[(1.00 divided by 5B) – (1.00 divided by 5D)]		
	B.	Formula Variable Loss Cost Multiplier	1.450	
		(3B divided by 5D)		

7	. A	Selected Expense Constant =	\$140.00	
	В	Selected Variable Loss Cost Multiplier =	1.450	

### 8. Explain any differences between 6 and 7:

6A must be multiplied by the average underlying loss cost

9	Rate level change for the coverage(s) to which this page applies	2.7 %

	Standard
(1) Current Loss Cost Multiplier	1.450
(2) Proposed Loss Cost Multiplier	1.450
(3) Indicated Change in Relativity	0.0%
(4) Change Due to Adopting NCCI Loss Costs	2.7%
(5) Overall Rate Change = {[100% + (3)] × [100% + (4)]} - 100%	2.7%

### Notes:

- (1), (2): Provided by MEMIC Indemnity Company.
  - (3): [(2) / (1)] 100%
  - (4): From the NCCI's circular AR-2007-13, Approved Voluntary Advisory Loss Costs and Rating Values and Assigned Risk Rates and Rating Values to Be Effective January 1, 2008.

# MEMIC Indemnity Company Arkansas Workers Compensation Loss Cost Multiplier Calculation Effective January 1, 2008

	_	Standard Rating Tier
(1) Loss Cost Modification		1.131
(2) Expense Provision		
A. Claim Expenses and Services		2.0%
B. Commissions and Brokerage		6.5%
C. Other Acq., Field Supervision, and Coll.		10.0%
D. General Expenses		4.0%
E. Premium Taxes		5.5%
F. Other Taxes, Fees and Assessments		0.5%
G. Profit, Cont. and Investment Income		(0.9%)
H. Other	=	0.0%
I. Total = $(A)+(B)+(C)+(D)+(E)+(F)+(G)+(H)$		27.6%
J. Variable Expenses		22.0%
(3) Expected Loss & LAE Ratio = 100% - (2I)		72.4%
(4) Loss Cost Multiplier = (1) / [100% - (2J)]		1.450
(5) Selected Expense Constant		140.00
(6) Minimum Premium Multiplier		120.00
(7) Minimum Premium Formula	(5) + [(6) × Rate] <=	750.00

## Notes:

^{(1), (5), (6), (7):} Provided by MEMIC Indemnity Company.

^{(2):} See Exhibit 1, Page 3.

# MEMIC Indemnity Company Arkansas Workers Compensation Summary of Expense Provisions Effective January 1, 2008

(1) (2) (3)

<b>Expense Provision</b>	Variable	Fixed	Total
A. Claim Expenses and Services	1.5%	0.5%	2.0%
B. Commissions and Brokerage	4.9%	1.6%	6.5%
C. Other Acq., Field Supervision, and Coll.	7.5%	2.5%	10.0%
D. General Expenses	3.0%	1.0%	4.0%
E. Premium Taxes	5.5%	0.0%	5.5%
F. Other Taxes, Fees and Assessments	0.5%	0.0%	0.5%
G. Profit and Contingencies	2.5%	0.0%	2.5%
H. Investment Income	(3.4%)	0.0%	(3.4%)
I. Other	0.0%	0.0%	0.0%_
J. Total	22.0%	5.6%	27.6%

(4) Expected Loss & LAE Ratio

72.4%

### Notes:

(1), (2), (3): Provided by MEMIC Indemnity Company.

(4): 100% - 27.6%

# MEMIC Indemnity Company Arkansas Workers Compensation Investment Income Calculation (in \$1000's) Effective January 1, 2008

(1) Unearned Premium Reserve

(3) Loss Reserve

(1a) Direct Earned Premium for Calendar Year 2006		31,487
(1b) Factor to Calculate Unearned Premium Reserve		0.552
(1c) Unearned Premium Reserve		17,381
(1d) Deduction for Prepaid Expenses		
Commission and Brokerage	0.065	
Taxes, Licenses & Fees	0.060	
50% of Other Acquisition and General	0.070	
Total	0.195	
(1e) Deduction for Federal Income Taxes Payable		0.070
= 20% x 35.0%		
(1f) Net Subject to Investment Income		
$= (1c) \times [1.0 - (1d) - (1e)]$		12,775
(2) Delayed Remission of Premium (Agents' Balances)		
(2a) Direct Earned Premium		31,487
(2b) Average Agents' Balance		0.370
(2c) Delayed Remission = (2a) x (2b)		11,650

(3a) Direct Earned Premium	31,487
(3b) Expected Incurred Loss and Loss Adjustment Expense = (3a) x (100.0% - 31.0%) (3c) Expected Mean Loss Reserves	21,726
$= (3b) \times 2.330$	50,622
(3d) Average Discount Factor	0.152
(3e) Adjusted Expected Mean Loss Reserve = (3c) x [1.000 - (0.350 x (3d)]	47,929
(4) Net Subject to Investment = (1f) - (2c) + (3e)	49,054
(5) Average Rate of Return	3.4%

(6) Investment Earnings on Net Subject to investment = (4) x (5)	1,668
(7) Average Rate of Return as a Percent of Earned Premium = (6) / (1a)	5.3%
(8) Average Rate of Return as a Percent of Earned Premium After Federal Income Taxes = (7) x [1.000 - 0.350]	3.4%

Notes: See Exhibit 1, Page 5.

MEMIC Indemnity Company	Exhibit 1
Arkansas Workers Compensation	Page 5
Notes for Investment Income Calculation (in \$1000's)	
Effective January 1, 2008	

### Line 1(a) Direct Earned Premium

Earned premiums are from Page 20 of the 2006 Annual Statement for all states.	31,487
-------------------------------------------------------------------------------	--------

#### Line 1(b) Mean Unearned Premium Reserves

1. Net unearned premium as of 12/31/06	17,802
2. Net unearned premium as of 12/31/05	16,922
3. Mean unearned premium = 50% x [(1) + (2)]	17,362
4. 2006 Net earned premium	31,466
5. Ratio of Unearned Premium to Earned Premium = (3) / (4)	0.552

### <u>Line 1(d)</u> Deduction of Prepaid Expenses

Estimated and/or budgeted expense amounts for the line of business.

#### <u>Line 1(e)</u> Deduction for Federal Income Taxes Payable

The Tax Reform Act of 1986 taxes 20% of the unearned premium reserves. At the calculated tax rate of 35.0%, the deduction for federal income taxes equals 0.070 (or  $20\% \times 35.0\%$ ) of the unearned premium reserve.

#### <u>Line 2(b)</u> Delayed Remission of Premium (Based on Combined Lines)

This deduction is necessary because of the delay in collection and remission of premium to the company which amounts to approximately 50 to 75 days after the effective date of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

1.	Net earned premium for calendar	r year 2006	31,	,466
2.	Net agents' balances as of 12/31	/06	12,	,482
3.	Net agents' balances as of 12/31	/05	10,	,782
4.	Mean agents' balances = 50% x	[(2) + (3)]	11,	,632
5.	(4) / (1)	- , , , , -	0.	.370

#### <u>Line 3(c)</u> Mean Loss Reserve (Based on Insurance Expense Exhibit, Part II)

1. Incurred Loss & LAE for calendar year 2006	21,074
2. Incurred Loss & LAE for calendar year 2005	16,451
3. Loss & LAE Reserves as of 12/31/06	48,331
4. Loss & LAE Reserves as of 12/31/05	43,287
5. Loss & LAE Reserves as of 12/31/04	40,060
6. Mean loss & LAE reserves = 50% x [(3) + (4)]	45,809
7. Mean loss & LAE reserves = 50% x [(4) + (5)]	41,674
8. [(6)+(7)] / [(1)+(2)]	2.331
9. Selected Loss & LAE reserves to Incurred Loss & LAE ratio	2.330

## <u>Line 3(d)</u> Average Discount Factor

Based on IRS discount factors and carried net loss and LAE reserves from the 2006 Schedule P.

#### Line 5 Average Rate of Return (Based on Combined Lines)

	Net	Cash and	Mean	
	Investment	Invested Assets	Cash and	
	Income	as of	Invested	Rate of
Year	Earned	Year-end	Assets	Return
2003		59,501		
2004	2,420	83,834	71,668	3.4%
2005	2,989	98,865	91,349	3.3%
2006	3,591	107,768	103,317	3.5%
Total 04-06	9,000		266,334	3.4%

#### NAIC LOSS COST DATA ENTRY DOCUMENT

1.	Th	This filing transmittal is part of Company Tracking #					7-03					
2.	2. If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number					National Council on Compensation Insurance; AR-2007-10						
		Company Name						Company	NAIC Number			
3.	A.	<u> </u>					<b>B.</b> 11030					
		Product Codir	ng Matrix Line of	Business (i.e., Ty	pe of Insurance)	Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)						
4.	A.	Workers' Compensation				B.						
5.												
		(A)					FOR LOSS COSTS ONLY					
COVERAGE (See Instructions)			(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio		(E) Loss Cost Modification	(F) Selected Loss Cost	(G) Expense Constant	(H) Co. Current Loss Cost		
Wo	rkers	' Compensation	2.70%	2.70%	72.4%		Factor 1.131	Multiplier 1.45	(If Applicable) \$140	Multiplier 1.45		
						<del>                                     </del>						

6.	5 Year History	Rate Change History

2.70%

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2006	396	N/A	N/A	30,268	17,891	N/A	59.1%
2005	329	N/A	N/A	23,316	10,897	N/A	46.7%
2004	299	N/A	N/A	28,388	18,857	N/A	66.4%
2003	496	N/A	N/A	25,147	23,740	N/A	94.4%
2002	445	N/A	N/A	12,588	11,604	N/A	92.2%
2001	168	N/A	N/A	3,593	2,436	N/A	67.8%

^{*}The 5 year history data all pertains to our countrywide experience since we do not have any written premium in Arkansas yet. Incurred losses include ALAE.

Expense Constants	Selected Provisions
A. Total Production Expense	16.5%
B. General Expense	6.0%
C. Taxes, License & Fees	6.0%
D. Underwriting Profit	
& Contingencies	-0.9%
E. Other (explain)	0.0%
F. TOTAL	27.6%

3.	N	Apply	Lost Cost	Factors to	<b>Future</b>	filings?	(Y	or	N)	١
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2.70%

N/A Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): N/A 
Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): N/A 10.

PC RLC

TOTAL OVERALL

**EFFECT** 



November 21, 2007

Julie Benafield Bowman, Insurance Commissioner Arkansas Department of Insurance 1200 West Third Street Little Rock, AR 72201

Attn: Carol Stiffler, Certified Rate and Forms Analyst, Property & Casualty Division

Re:

MEMIC Indemnity Company Rate Filing

NAIC Number: 11030

Company FEIN: 02-0515329

SERFF Tracking No. MEMC-125366452

Company Tracking No. 2007-03

Requested Effective Date: January 1, 2008

Dear Ms. Stiffler:

Please see the attached rate filing to adopt NCCI's 1/1/08 loss costs with no change to our LCM for your review and approval. We are requesting an effective date of 1/1/08.

We will continue to use NCCI's premium discount table #7 and all other NCCI rating plans, rules, etc. We have also adopted the new hazard groups filed in NCCI's Item B-1403 filing as reflected in our attached small deductible credit factors.

The filing fees have been submitted electronically with the filing via EFT.

Please see the attached transmittal document, the rate filing schedule, the loss cost data entry document, our 1/1/08 rate pages, the loss cost adoption forms and all supporting rate documents.

Please feel free to contact me at 800 660 1306 x 350 if you have any questions regarding this filing. I can also be reached via e-mail at: <a href="mailto:kschwartz@memic.com">kschwartz@memic.com</a>.

Thank you for your consideration.

Sincerely,

Mun Shukur Karen Schwartz Product Manager